

Reclamation Manual

Directives and Standards

Applicable Authorities

1. **Constitution of the United States, Fifth and Fourteenth Amendments:** Provides that private property shall not be taken for public use without just compensation and the Government cannot take private property without due process of law, respectively.
2. **The Reclamation Act of 1902:** Establishes a special fund in the Treasury for the construction and maintenance of irrigation works for reclamation of arid and semiarid lands in the Western United States. It authorizes the Secretary of the Interior (Secretary) to acquire through purchase or condemnation any rights or property needed for such purposes, as set forth therein.
3. **Omnibus Adjustment Act, Section 46, May 25, 1926:** Provides that excess land (as it applies to acreage limitation) shall be appraised, based on its fair market value at the date of the appraisal, without reference to the proposed irrigation project.
4. **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, (Uniform Act), implemented by 49 CFR Part 24:** Ensures that owners of real property to be acquired for Federal and Federally assisted projects are treated fairly and consistently. Prior to negotiation, it requires a written appraisal and appraisal review be performed by qualified appraisers as a basis for just compensation to the owner.
5. **Reclamation Reform Act of 1982 (Reclamation Law), 43 CFR 426:** Requires an appraisal of excess land to determine the approved sale price, as set forth therein. The approved sale price is based on the fair market value of the excess land at the time of appraisal, "without reference" to the construction of the irrigation project. Building, land, and irrigation improvements are valued "with reference" as of the date of the appraisal, and are included in the approved sale price.
6. **Procedures to Process and Recover the Value of Rights-of-Use and Administrative Costs Incurred in Permitting Such Use, 43 CFR Part 429, October 1, 1987:** Sets forth procedures for Reclamation to recover the value of right-of-use over land and water surfaces, as determined by an appraisal by a qualified appraiser using approved methods.
7. **Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI, Sec. 1101 (Public Law 101-743):** Provides "... financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with Federally related transactions are performed in writing in accordance with uniform standards by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision." It establishes the levels of knowledge, training, and experience which appraisers must have in

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order to be qualified to perform appraisal services. It also establishes a system for effective, ongoing supervision of appraiser competency and conduct through licensing and certification.

8. **Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), 1992 edition:** Establishes regulations applicable to the appraisal of property for Federal land acquisitions and provides a legal basis to guide appraiser opinion and judgment. These standards are principally the result of past court decisions and/or legal opinions. Any deviations from these standards must be noted, explained, and justified. Most acquisition appraisals will be unacceptable if they do not comply with these standards.
9. **Office of Management and Budget, Circular A-25, Federal Register, Vol. 58, No. 134, July 15, 1993.** This authority which rescinds OMB Circular A-25, dated September 23, 1959, establishes guidelines for Federal agencies to assess fees for Government services and for the sale or use of Government property or resources.
10. **Office of Management and Budget (OMB) Bulletin No. 91-05, Appendix II, Federal Real Property Appraisal Standards, November 26, 1990:** Establishes basic appraisal criteria and standards applicable to all real estate related transactions involving Federal agencies. It reinforces the Federal Government's interest in the development and implementation of Title XI of FIRREA and the Uniform Standards of Professional Appraisal Practice (USPAP).
11. **Office of Management and Budget (OMB) Bulletin No. 92-06, March 16, 1992:** Provides guidance to Federal agencies on standards and practices for real estate appraisals and appraisal training. It extends FIRREA to Federal agencies subject to the authority of the Uniform Act, as amended, and requires that appraisals be conducted for all Federally related real estate transactions, in accordance with Uniform Standards of Professional Appraisal Practice (USPAP). This Bulletin requires Reclamation to comply with the provisions of FIRREA and USPAP.
12. **Uniform Standards of Professional Appraisal Practice (USPAP), 1996 Edition:** Provides a common basis and a minimum set of standards for all appraisal practice throughout the United States. Under no circumstances can appraisal and appraisal review standards fall below the minimum requirements of USPAP. Fee and staff appraisers must comply with the "binding requirements" of Standard 1 (Real Property Appraisal), Standard 2 (Real Property Appraisal, Reporting), and Standard 3 (Review Appraisal and Reporting) of USPAP. Departures from binding requirements are not permitted for Standards Rules 1-1, 1-5, 2-1, 2-2, 2-3, 2-5, 3-1, 3-2, 4-1, 5-1, 5-3, 6-3, 6-6, 6-7, 6-8, 7-1, 8-1, 8-3, 8-5, 9-1, 9-3, 9-5, 10-1, and 10-5.